Scope of work for “study of sugar mills”

Working Capital, Inventory & Cash Flow Management

- **Working Capital Assessment**
  Evaluate the adequacy of working capital by analyzing the operating cycle, liquidity position and cash flow requirements during both crushing and off-season periods. Analysis as to whether fund is being properly managed.
- **Receivables and Payables**
  Review the ageing and recoverability of receivables, particularly dues from Oil Marketing Companies and power distribution companies, along with outstanding creditor liabilities.
- **Inventory Management**
  Assess inventory management practices for sugar, ethanol, molasses, bagasse, and other inventories, including valuation methods and stock controls. Identify gaps in inventory management and recommend measures to improve stock monitoring, minimise losses and enhance inventory efficiency.

Budget Management & Internal Financial Controls

- **Budgetary Control**
  Review the budgeting process by comparing approved budgets with actual expenditure and analysing significant variances. Assess the effectiveness of existing budgetary controls and recommend measures to strengthen financial planning, expenditure control and cost management.
- **Internal Financial Controls**
  Review the effectiveness of internal financial controls, ERP systems, gate entry controls and other operational systems. Identify weaknesses that may result in revenue leakage or financial irregularities and recommend practical improvements to strengthen governance and operational efficiency.

Debt Profile, Capital Structure & Loan Repayment Plan

- **Debt Assessment**
  Carry out a comprehensive assessment of the mill's borrowings, including working capital loans, term loans, NCDC assistance, SDF loans, bank borrowings and other liabilities. Evaluate the sustainability of the existing debt structure and suggest suitable options for restructuring, refinancing or rationalising the debt portfolio.
- **Sources of funds and competition analysis for funds availability**
  Assess what all sources of funds are available for availing loan, whether loans are availed at exorbitantly high ROI. Whether Multiple banking arrangement is there or not
- **Business-wise Debt Analysis**
  Assess how borrowings have been deployed across different business segments such as sugar manufacturing, ethanol, cogeneration and allied activities. Examine whether each business is generating adequate returns to support the debt and recommend measures to improve financial viability and optimise capital allocation.

Scope of work for “study of sugar mills”

- **Debt Servicing Capacity**
  Evaluate the mill's ability to service its debt by analysing cash flows, repayment obligations, interest burden, debt servicing ratios and escrow arrangements. Identify if any penal interest is paid. Identify potential stress areas and recommend strategies to improve repayment capacity and reduce financial risks.
- **Loan Repayment Plan**
  Develop a practical and realistic repayment strategy based on the mill's projected cash flows, operational performance and future business prospects. The plan should prioritize financial sustainability while identifying opportunities for refinancing, restructuring and asset monetization wherever feasible.

Statutory Compliance, Legal Provisions & Audit Evaluation

- **Statutory Compliance**
  Review the mill's compliance with all applicable statutory and regulatory requirements, including the Maharashtra Cooperative Societies Act, Sugarcane (Control) Order, Income Tax Act, GST laws, labour laws and environmental regulations. Identify key areas of non-compliance, assess the financial and operational risks involved, and recommend practical measures to strengthen the overall compliance framework.
- **Audit Review**
  Review statutory, internal and cooperative audit reports for the last three to five years, including audit classifications, pending observations and compliance status. Identify recurring issues, evaluate the effectiveness of corrective actions already taken and recommend a time-bound action plan for resolving outstanding audit observations and improving governance.
- **Regulatory Reporting**
  Assess whether all statutory returns, financial statements and regulatory reports have been submitted accurately and within the prescribed timelines to the concerned authorities. Highlight reporting gaps, if any, and recommend measures to strengthen monitoring systems and ensure timely compliance in future.

Misutilization & Cash Leakage Analysis

- **Trail of funds utilization**
  Examine the movement of funds between the sugar mill and its subsidiaries, sister concerns and related organizations to identify any diversion or misuse of borrowed funds or Government assistance. Recommend suitable corrective measures to improve transparency, financial discipline and monitoring of fund utilization.
- **Related Party Transactions**
  Review transactions with directors, key managerial personnel and related entities to assess compliance with applicable governance standards and arm's length principles. Identify irregular or high-risk transactions and recommend measures to strengthen transparency, internal approvals and oversight.
- **Revenue Leakage**

Scope of work for “study of sugar mills”

Assess pricing, sales and realization from sugar, ethanol, molasses, bagasse and other by-products to identify possible revenue leakages, underpricing or operational inefficiencies. Recommend measures to improve pricing mechanisms, sales controls and revenue maximization.

Human Resources & Wage Structure Evaluation

- **Manpower Assessment**
  Review the existing manpower structure by comparing sanctioned and actual staff strength across operational and administrative functions. Identify areas of overstaffing, skill shortages or inefficient deployment, and recommend measures to optimise manpower and improve organisational effectiveness.
- **Labour Cost Analysis**
  Assess the cost structure of permanent, seasonal, contractual and daily wage employees to evaluate cost efficiency and workforce utilisation. Recommend measures to rationalise labour costs while maintaining operational continuity and statutory compliance.
- **Productivity Benchmarking**
  Benchmark manpower productivity and employee costs against comparable cooperative and private sugar mills (benchmarking to the best in Industry practices) to identify opportunities for operational improvement. Recommend initiatives to enhance productivity, optimise workforce deployment and improve overall operational efficiency.
- **Labour Law Compliance**
  Review compliance with statutory obligations relating to Provident Fund, ESIC, Gratuity, Bonus, Minimum Wages and other applicable labour laws. Identify compliance gaps and recommend corrective measures to strengthen statutory compliance and employee welfare practices.

Corrective actions and comment on the viability

- **Corrective action**
  Suggest best industry practices and corrective actions against the issues identified so that these sugar mills may improve their overall standing
- **Viability**
  Review the issues identified and suggest if the sugar mill is viable and if not, in its present form, what all actions may be required to make it viable.

Sub: Financial quotation for undertaking viability study of sugar mills as per scope of work

S. No.	**Particulars**	**Particulars**
A	Service duration	Project completion duration is 15 days
B	Key deliverable	Report commenting on the viability of the sugar mills (the details of the sugar mills to be studied will be shared by NCDC with the successful party) The bidder should be in a position to simultaneously deploy at least 5 qualified CAs having post-qualification experience of more than 5 years for at least a week's time. These resources may/may not be asked to be part of a study group including NCDC officials along with professionals of other institutions.
B	Payment terms	70% of the fees at the time of submission of interim report and 30% of the fees after the submission and approval of the final report
C	Last date to submit the quotation	Thursday August 13, 2026, latest by 1:00 PM
D	Billing address	National Cooperative Development Corporation, 4th Siri Industrial area, New Delhi GSTN: 07AAACN1964F1ZM
E	Lumpsum amount for undertaking study as per the scope of work (amount per society, incl of GST)	
F	Amounts in words	
G	CAG empanelment number (please provide latest CAG empanelment certificate)	

In case of any queries, you may feel free to reach out to the undersigned.

Contact person:

Jasmeet Chhabra (Deputy Director) - 8218086351